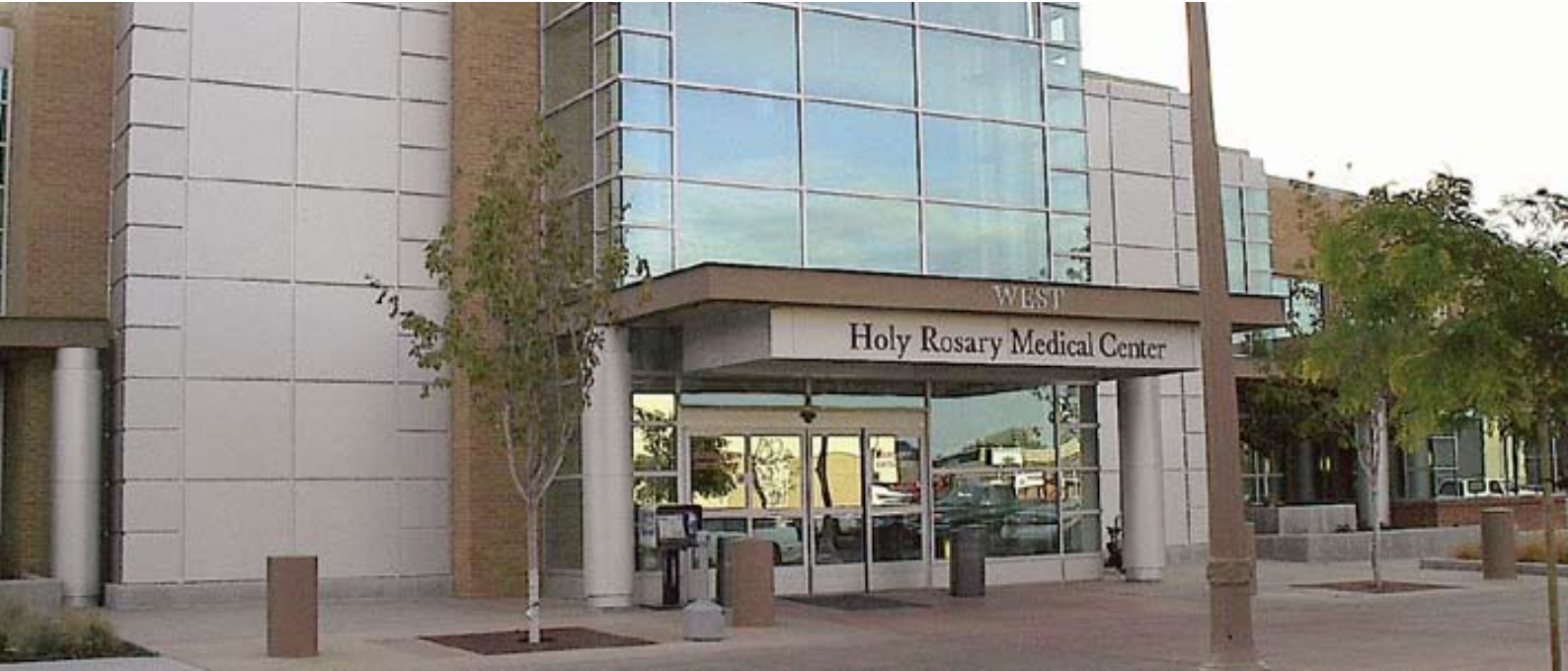




Patient care is the winner with efficient operating model

Catholic Health Initiatives
Case Study



Catholic Health Initiatives (CHI) recently completed its organization-wide deployment of the entire suite of Lawson Software (NASDAQ:LWSN) business applications. Today, 45,000 CHI employees use the Lawson S3 Enterprise Management System, which is helping CHI reduce operational costs, centralize key business functions, and gain an enterprise-wide view of staffing, turnover and financial data.

"Lawson is helping us create a new operational model with a common set of efficient administrative processes so we can free up staff time and dollars to focus on patient care," said Paul Parish, vice president, *CHI Connect*, Catholic Health Initiatives. "By centralizing our core business functions, such as human resources, payroll, accounts payable and procurement, we can use the Lawson system to help us drive significant savings long-term and improve decision-making with organization-wide access to information and reports."

CHI estimates it could achieve an ongoing reduction in annual operational costs of \$50 to \$60 million based on automated processes and productivity gains supported by the unified Lawson system, according to Parish. Since the inception of the project, CHI has achieved supply chain cost savings of \$125 million, according to Joni Rittler, vice president, supply chain information services, Catholic Health Initiatives.

ORGANIZATIONAL PROFILE

Catholic Health Initiatives (CHI) is a national non-profit health organization with headquarters in Denver. This faith-based system includes 77 hospitals, 40 long-term care, assisted- and residential-living facilities, and two community health-services organizations in 20 states across four time zones. For the 2008 fiscal year, CHI facilities provided \$536 million in community benefit, including the cost of supplies and labor related to free clinics, donations and other services provided for the poor and local community needs. With more than 68,000 employees and annual revenues of \$8.2 billion, the CHI system ranks as the nation's second-largest Catholic healthcare system. CHI is a ministry with a vibrant vision of improving the health of the people in communities served through new and innovative care delivery models and systems.

CHI serves 69 urban and rural communities in 20 states, including Arkansas, Colorado, Idaho, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Washington and Wisconsin. Of the 28 rural hospitals in the CHI system, 26 are the sole providers of health care in their communities, highlighting the mission of serving those most in need.

CHI was formed through the alliance of four national Catholic healthcare systems. Planning for the consolidation dates back to 1995, when a group of Catholic healthcare leaders began to explore ways to strengthen the health ministry for the future. The goal was to develop and nurture a national health ministry, sponsored and governed by an equal religious-lay partnership, which would transform healthcare delivery and create vibrant new ministries across the nation to build healthy communities. The new organization began operation July 1, 1996. It was the first Catholic health system to give lay people a sponsorship role in its facilities.

Today, CHI includes healthcare ministries of 12 congregations of Catholic women religious, which are guided by the same pioneer spirit that led women religious leaders to carry out their healing ministry hundreds of years ago. Along with its focus on helping to build healthier communities, the system is committed to reaching new milestones of clinical quality and to pursue an agenda of social justice.

ORGANIZATION-WIDE REALIZED VALUE

- Original schedule for completing the Lawson implementation system-wide was five years; *CHI Connect* was completed in 24 months after the "pilot" market-based organization (MBO) "go live".
- Supply chain cost savings of \$125 million over a three-year period.
- CHI estimates an ongoing reduction in annual operational costs of \$50 to \$60 million, based on automated processes and productivity gains supported by the unified Lawson system.
- More than 82 percent contract compliance within the Group Purchasing Organization (GPO) portfolio.
- CHI is better able to manage demand and inventory within the MBOs.
- MBOs will soon close their books by the 7th business day of the month vs. the 10th business day.
- Approximately 97 percent of the implementation was standard and 3 percent was custom.
- 40 hospital groups that used to process their own payroll now rely on one Lawson system.
- No payrolls were missed during any implementation wave.
- MBO HR teams will be transformed from tactical and transactional to strategic using the new HR/Payroll tools.
- National vendors are being moved to payment terms of net 45 instead of net 10-15, helping to positively affect overall cash flow.
- All AP functions have been centralized, which has led to standardized best business practices.
- CHI now has better financial visibility and oversight because of the ability to determine how many invoices are on the CHI books at any given time.
- Financial information has been consolidated in one place for all MBOs, thereby offering good comparative data.

A SHIFT IN FOCUS TO BETTER SERVE COMMUNITIES

At its formation, CHI functioned as a holding company of local organizations united by a common vision, mission and values. Together they worked to build healthier communities locally and across the country. Over the years, additional facilities and ministries joined the organization.

In the early 2000s as the health system matured, its leaders began transitioning the CHI organization to an operating, rather than holding company model. By doing so, CHI leaders sought to make transactional work more efficient, relieve local facilities of business functions unrelated to serving their communities and further leverage the system's size to ensure resources were available to deliver quality care and sustain the ministry.

Key to making this transition successful was creating a common information and technology infrastructure, standardizing business practices, and enhancing business processes and systems. This was the purpose of the system-wide initiative called *CHI Connect*.

CHI Connect brings new software systems; an integrated information technology backbone; and changes to finance, accounts payable, expense reimbursement, human resources administration, payroll and supply chain business practices. The *CHI Connect* project was unusual in that it moved forward with these changes simultaneously and on an accelerated schedule. Doing this allowed the organization to focus more strategically on clinical quality, talent and leadership, performance and growth. Communication to employees about *CHI Connect* stated, "When we are efficient, we keep our ministry viable and serve our communities better."

The goals of *CHI Connect* include:

- Improve the quality and timeliness of information between CHI market-based organizations (MBOs) and the national office so that the emphasis is on analysis and decision-making rather than data collection. Within CHI, an MBO can be a single facility or a group of facilities and services.
- Streamline business operations in support of services to patients and the community.
- Leverage the collective purchasing power of CHI.
- Support MBO market competitiveness through business efficiencies and shared best practices.
- Help employees do their jobs more efficiently and provide them access to their employee and benefits data twenty four hours a day, seven days a week.
- Provide managers with timely, accurate and actionable data.

Lawson was selected as the system of record based on its de facto standard in the Catholic healthcare industry when the *CHI Connect* initiative began. CHI chose Lawson Human Resource Management, Lawson Supply Chain Management, Lawson Enterprise Financial Management and Lawson Business Intelligence to help run its business. A number of additional organizations, including Hewitt Associates LLC for payroll and human resources support, were selected to help deliver on the business goals. When CHI leadership looked at the original five-year software implementation schedule, they challenged the team to complete implementation in two years. The business case for the Lawson implementation said that CHI could save \$43 million a year by standardizing business processes, centralizing transactional work, increasing contract compliance, and identifying new contract opportunities. The motivation to complete the implementation in a compressed time was high to create savings that could be invested in the patients and communities CHI serves. The implementation team at CHI quickly realized that it needed a strong plan; excellent coordination; repeatable, standard processes and templates; strong project management, and leadership to make this happen.

“One of the benefits and strength of Lawson is its extensive partner network. We knew there was no way to do this alone, so we leveraged the Lawson ecosystem including Lawson Professional Services, Deloitte, Computer Sciences Corporation, Hitachi Consulting and more than 20 other Lawson partners to put an implementation plan in place that supplemented our national employee implementation team,” said Parish.

Key to the success of the *CHI Connect* operating model was the creation of central support centers for procurement, accounts payable, payroll and human resources. Contracting and purchasing for the enterprise is done in a central Procurement Support Center (PSC) in Englewood, CO using a single vendor file, single item master and single contracts file to ensure items are purchased at the correct contract price. The Accounts Payable Support Center (APSC) in Englewood processes all invoices centrally using imaging software to route invoices throughout the enterprise electronically for review and approval where a pre-approved purchase order was not used for the purchase. The APSC also processes employee business expenses for reimbursement through payroll.



The national Payroll Operations Center (POC) in Erlanger, KY, using information from the CHI Standard Time & Attendance system, processes payroll for half the CHI employees every week. The CHI Human Resources Operations Center (HROC), which is located in Erlanger, provides support to the staff of the Human Resources departments in the MBOs and manages the Hewitt Associates support relationship. Employees and managers have on-line access 24X7 to view payroll and human resources information and transactions. Employees can also call the national Payroll/HR support center staffed by CHI's partner, Hewitt Associates, for payroll and human resources administration and support assistance. The HR/Payroll Support Center provides the following services:

- Leave administration
- Recruiting technology
- HR administration
- Defined benefit pension and health & welfare plan administration
- Relocation services
- Employment verification
- Unemployment claims administration
- Adoption assistance
- Tuition reimbursement administration
- Policy information
- Personal data changes
- Standard reports



“Lawson is helping us create a new operational model with a common set of efficient administrative processes so we can free up staff time and dollars to focus on patient care. By centralizing our core business functions, such as human resources, payroll, accounts payable and procurement, we can use the Lawson system to help us drive significant savings long-term and improve decision making with organization-wide access to information and reports.”

Paul Parish
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ROLLING IMPLEMENTATION WAVES

The implementation team faced a steep challenge, but met it with a can-do attitude. A rollout plan was carefully put together that took into account the varying needs of each MBO, including competing projects, inspections and calendar constraints. The MBOs were divided into six waves, with each wave lasting approximately 11 months, including two months of post “go-live” support. Each succeeding wave was set to begin three months after the prior wave started. By overlapping the waves this way, CHI aimed to gain a faster return on its investment and minimize the disruption that large implementations cause organizations. As much project work as possible was accomplished by the national team in order to reduce the work required by the MBO staff, who still had to perform their day-to-day job during the implementation. CHI worked closely with Lawson and their services partners to identify the best resources, and had a firm on-boarding process for bringing implementation employee and consultant team members onto the team. “One of the key components of our success is the way the consultants and employee team members came together,” said Parish. “We told everyone you may be a Lawson employee or a Deloitte employee or CSC employee or independent contractor or whatever; but when you’re here on the *CHI Connect* team leave your company jersey at the door and behave as if you are a CHI employee. We also asked our employees to treat consultants as if they were employees.”

That is exactly what happened and there was great cohesion among the team members. CHI lost only a few employees and implementation people throughout the process, something highly unusual for such a large-scale project. CHI provided its consultants with an orientation to its vision, mission, and culture. CHI also established an open and honest approach that allowed employees to voice concerns in a constructive manner, with the goal of continuous improvement in mind.

Instead of bringing new employees in for each wave of the implementation, employees were “rolled” by leap-frogging them from Wave 1 to Wave 4, for example. This allowed CHI to take full advantage of the implementation experience each team acquired and build in-house knowledge as the project proceeded.

“We’ve always believed in being very open about what went wrong – not losing sight that we’ve done a good job, but if there are ways to improve, let’s document those and let’s drive those back into the work plans and the design of the system and processes,” said Parish. “That way, if we need to change training or communications or how we’ve designed the system in some of our functional areas, we can make immediate improvements to improve effectiveness and user acceptance.”

Two other crucial components of the implementation were strong executive support - both at the national and MBO level - and holding to a firm implementation model, with about 97 percent of the implementation at each MBO being standard and 3 percent custom to accommodate unique market contractual, regulatory or revenue generation requirements.



BRINGING THE MOVING PARTS TOGETHER

There were a number of functional areas involved in the implementation process, including the Information Technology Enterprise Resource Planning (ERP) team and application teams: accounts payable, human resources, payroll, finance and supply chain. Given the number of functional areas involved, the entire project required a high level of coordination and integration among teams. And while the functional areas within CHI were committed to working together, the project management function was critical for the rapid implementation schedule. Once the project management function was firmly in place, the entire process ran more smoothly.

CHI also developed an integrated process to accelerate acceptance of changes that included the communications, change leadership, knowledge transfer and learning (KTL), and training teams. Change leadership worked with executive leaders at each facility to help them gain a common understanding of what CHI wanted to achieve. Full-day sessions were held at the beginning of the project to help align these executive leaders.

About halfway through the implementation, a process for documenting workflow was developed that identified how things were done currently and how CHI defined the end state. This helped identify gaps early on in the process. A three-month period, called the “Stabilization and Optimization” phase, employed a Business Process Transition team that developed a working plan, and along with each MBO identified where critical business activities existed. From a list of nearly 40 activities, each MBO team identified about six that were crucial to employees understanding how business had to be done differently. This resulted in an improvement in adoption from Waves 1-3 into subsequent waves.

To help relay information throughout the organization, the communications team developed a resource bank of some 450 pieces that included presentations, newsletter articles, posters, memos, etc. At the national level, message consistency was infused into template materials. At the local level, communication leaders were involved as part of the project team from the beginning, so they could more easily adapt templates for their local audiences and their special needs.

“We had the best of both worlds with message consistency that was system-wide yet adaptable for local audiences,” said Peg O’Keefe, director, communication services, Catholic Health Initiatives. “Communication staffs at the MBOs are expert at community relations and marketing; however, the messages we needed to deliver were internal business-process messages around procurement, human resources, finance, materials management and IT. The local communications teams appreciated having template materials, and we appreciated their understanding of local stakeholders. The advantage was that when people went to training, they already knew why they were going and what the training was about so they could focus on how to make changes for the new business model using the new system. That very much accelerated acceptance.”

The national and MBO implementation teams worked with Knowledge Transfer and Learning to document “lessons learned.” These were incorporated into redesign, and enhanced executive sponsor training was developed for later implementation waves.

“One of the benefits and strength of Lawson is its extensive partner network. We knew there was no way to do this alone, so we leveraged the Lawson ecosystem including Lawson Professional Services, Deloitte, Computer Sciences Corporation, Hitachi Consulting and more than 20 other Lawson partners to put an implementation plan in place that supplemented our national employee implementation team.”

Paul Parish
Vice President, *CHI Connect*
Catholic Health Initiatives

More than 350 lessons learned were collected and shared. MBOs were able to learn from the experiences of those implementing ahead of them. During the optimization and stabilization period, lessons learned were evaluated and changes were made to the implementation approach and *CHI Connect* systems resulting in significant improvement in implementation success, delegation of activities that MBOs could complete independently, and more efficient use of national staff and consultants.

Facilitated sharing sessions, conducted on-site at a “live” facility, enabled MBOs that had implemented *CHI Connect* to share with leaders from MBOs preparing for go-live. Attendees stated that these sessions provided “great material, candor, and knowledge-sharing discussions centered on issues giving us an opportunity to identify where to take action/make changes now rather than wait for a problem to happen.” These sessions and the resulting relationships created forums for meaningful sharing far beyond what could be conveyed through written lessons learned.

The KTL team facilitated development of an integrated orientation program for MBO project sponsors and leaders. These leaders were introduced to the whole project, the implementation approach, key people they would be working with, and to the critical roles they play in leading through the changes. The orientation session engaged the leaders earlier resulting in them feeling better prepared for their role and understanding their next steps.

Our training team worked closely with the functional teams and project management, as well as the other “acceptance” functions including communications, knowledge transfer & learning, and change leadership.





Beginning with a detailed training curriculum that was developed to address the learning needs of each job group, a variety of training materials were developed, including job aids to support post go-live needs and detailed user guides with step-by-step instructions and screen shots for rarely-used, intensive transactions. Training materials were designed to be:

- Appropriate to each audience.
- Useful for the initial go-live, as well as easily adapted to on-going needs.
- Able to leverage a variety of learning styles (self paced, instructor led, hands on, etc).
- Appropriate for the audience size (computer based for simpler processes that had larger, system-wide audiences; instructor-led for complex processes that had smaller audiences at each MBO).
- Customized from the standard Lawson training to include process steps before and after the system usage, as well as for CHI-specific terms, processes and contact information.

Many training materials were customized for each MBO, including:

- Computer based trainings, most of which included voice-over;
- Job aids, such as pocket guides and quick reference guides;
- Instructor manuals;
- Detailed user guides;
- Self study materials.

The training materials were supplemented by a training coordinator on site who became instrumental to the roll out success. This person was responsible for the training scheduling, course conduct and post go-live support, and assisted with communications and adoption activities.

The national team training coordinator was one of the only on-site, cross-functional roles to be involved in many of the key functional activities, including user acceptance testing and post go-live planning. This was due to the training coordinator's unique position and ability to understand the specific impacts of the new CHI operating model and systems on the MBO associates. Their presence on site in this cross-functional role was regarded as one of the major success factors at many of the MBOs.

REALIZING VALUE

Ultimately, the original five-year rollout timetable was completely blown away, with the actual rollout lasting 24 months after the "pilot" MBO "go live." System wide, this was a huge win for the organization, especially considering \$125 million in supply chain cost savings alone were realized prior to the completion of the implementation. Toward the end, the go-lives for the later waves, while still significant milestones, became very smooth "non-events," which is a huge testament to how well the CHI implementation methodology worked. However, the biggest winners in all of this are patients and communities within the CHI system, who will reap the benefits of an organization with a solid operational foundation that can invest more resources in patient care and meeting community needs.

“With Lawson as the single source of data, we’ll be able to look at standardized metrics for all the MBOs, such as average days-to-hire and turnover, to find out which MBOs are performing well and identify best practices for other MBOs to learn from.”

Andrea Zeiser
Director, HR/Payroll Information
Catholic Health Initiatives

BREAKING OUT THE VALUE BY FUNCTIONAL AREAS

Information Technology Enterprise Resource Planning (ERP) Systems and Applications

Within the ERP application administration and systems teams, one major key to success was that the implementation was viewed as system implementation not an IT project. Functional business leaders were able to express what they needed within their defined areas and convey that information to IT to build, which IT viewed as another cornerstone to the project’s success.

Specific accomplishments within this functional area included:

- A major hardware upgrade was conducted in the midst of the Wave 3 implementation.
- Security classes were built to support 41 separate MBOs and provide data-level security.
- 131 Lawson Smart Notifications, 119 reports and 37 dashboards in production to support the decision-making of hundreds of executives.
- 255 custom interfaces in production to connect numerous ancillary systems.
- 264 custom programs to meet the business needs of the MBOs.
- The use of a central, contracted team to convert all legacy data into Lawson.

While the implementation methodology and compressed timeframe were determined to be the best course for CHI overall, they did pose challenges and opportunities for the IT organization.



“There’s not a single person in our hospitals who isn’t impacted by this project. Whether it’s how they receive their pay statements or how they do their jobs on a day-to-day basis, everyone is affected. For a go live of this magnitude not to be a huge ordeal is extremely impressive.”

Ron Korgie
Director, Financial Services
Catholic Health Initiatives

“Our biggest accomplishment was how we architected our non-production environment to support three waves going on at once,” said Rafael Benitez, director, ERP application administration, Catholic Health Initiatives. “When it’s all presented together, it looks single-threaded, but each wave had nine to 11 months of overlapping time. So, we needed to make sure the project teams had access to the applications when they needed them so they could do conversions, acceptance testing and payroll parallel testing to get everything lined up and ready for production. This includes not only Lawson production and non-production, but third-party production and non-production as well.”

“Throughout the entire implementation, I have been most proud of my team,” said Jennifer Hail, director, ERP application systems, Catholic Health Initiatives. “Every time we asked them to meet another impossible deadline, they delivered.”

HR and Payroll

Lawson, Kronos and Hewitt were the primary solution providers leveraged to deliver on the business goals for HR and payroll. Collectively, the biggest win for human resources and payroll was to centralize 40 payroll systems into one, which already has brought a number of benefits:

- Conversions of pay and deduction codes, such as pre-tax 403(b) calculations, are now calculated accurately.
- Data is passed between Lawson and the Hewitt system each day, which ensures that business rules are being followed, the need for re-work has been reduced and there are fewer errors on the interface file.
- One system of record provides a central data source, so analytics are more robust with the use of Lawson. The tax department now has improved 990 reporting; workers compensation is better able to leverage data; and risk and insurance now gathers data from one location instead of collecting it from each MBO.
- Employees are generally able to view pay statements on Wednesday for a Friday payroll, so there’s plenty of time to make corrections if the need arises. Due to careful planning and cross-team coordination, no payrolls were missed throughout the entire implementation.
- Local HR departments are being transformed from transaction-oriented to more strategic-oriented, focusing more time on workforce and talent management, compensation practices and organizational effectiveness.

“We now have one central point of contact with the Lawson system,” said Anita Turpin, director, payroll operations and HR information systems, Catholic Health Initiatives. “So definitely analytics are much more robust than they were in the past.” Andrea Zeiser, director, hr/payroll information, Catholic Health Initiatives, agreed stating, “With Lawson as the single source of data, we’ll be able to look at standardized metrics for all the MBOs, such as average days-to-hire and turnover; to find out which MBOs are performing well and identify best practices for other MBOs to learn from.”

Accounts Payable

The accounts payable process at CHI has gone through an extreme makeover since the start of the Lawson implementation. All AP functions have been centralized and a call center established. These efforts have led to a number of business benefits including:

- Standard payment terms that benefit CHI rather than its vendors. Now, standard terms for local vendors are net 30 days and standard terms for national vendors are net 45 days. Previously, some hospitals within the system were honoring payment terms of net 10-15 days, which had a negative affect on the organization's overall cash flow.
- Invoice processing that provides better visibility into the number of invoices on the books at any given time and leads to better financial forecasting. Past practices meant invoices potentially could sit on desks for months before they were processed.
- Matching invoices to purchase orders, which helps uncover errors before payments are disbursed.
- Improved reporting tools to measure and improve performance at the local level and across the system.

"All of these efforts help us to have a better view of our costs across the system. The efficiencies we gain add value to our hospitals," said Sue Chara, director, accounts payable support center, Catholic Health Initiatives.



“We never lose sight of the mission of CHI - to care for and nurture the communities we serve. We want to give our patients the best care. However, it is imperative that we be cost-effective. The information available from the Lawson system enables us to effectively manage our supply expenses and vendor relationships. ”

Joni Rittler
Vice President of Supply Chain
Catholic Health Initiatives

Supply Chain

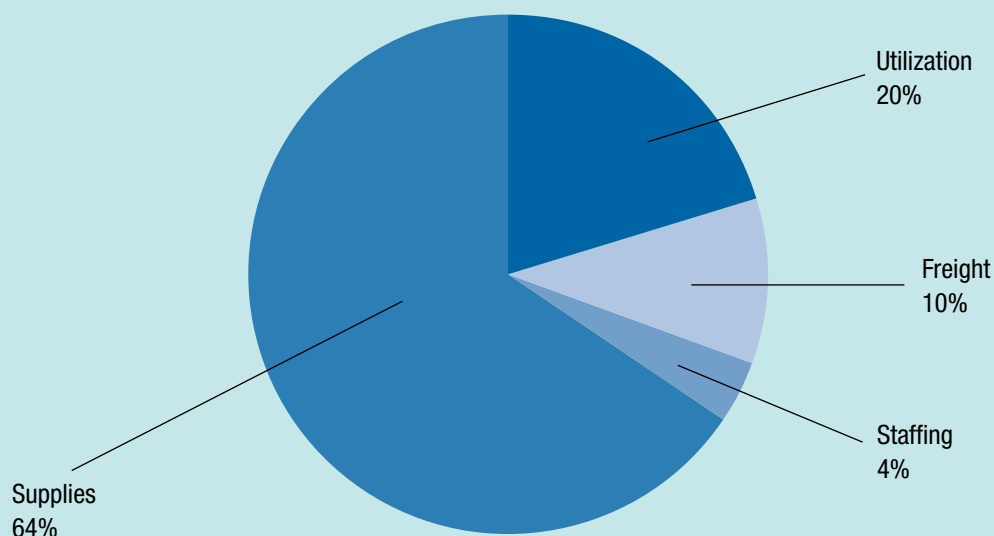
As expected, the most dramatic results were achieved in supply cost savings of \$125 million. The graph below from the original business case projected where the savings would be realized.

In addition to the supply savings, management benefits include:

- Data sources for supply reports have been reduced from 30 to one.
- In the midst of the Lawson implementation a Group Purchasing Organization (GPO) contract portfolio conversion occurred. As data had previously been standardized for the Lawson implementation, the item and contract data conversions occurred quickly and maximized savings opportunities.
- The Lawson system enables CHI to validate contract pricing, aggregate supply spend for contract negotiations and optimize contract participation.
- CHI has more than 180,000 unique items in its item master file. This file is manufacturer centric which enables standardized reporting.
- Contract participation has improved year-over-year with current estimates of more than 82% compliance within the GPO portfolio.
- The Lawson Business Intelligence (LBI) tools have provided management with actionable operational reports. For example, when a supply requires replenishment, the inventory manager is presented with a red indicator light on his or her dashboard. A single click on the red light provides all information required to order the supply or identify a potential problem.

“The challenge that Supply Chain faced was the standardization of data. This effort was crucial to the success of the project,” said Rittler. “It required us to make system design and configuration decisions based on the overall organizational needs.”

Supply Chain Savings





"We're a complex organization; we needed software that could handle our complexity," said Kevin Kakuda, director, supply chain technology, Catholic Health Initiatives. "Because of Lawson's existing vendor relationships, we were able to interface to all systems related to supply chain, including point-of-use systems, patient charge systems and surgical services."

As implementation efforts have wrapped up, supply chain leaders at CHI are focusing on additional opportunities to improve supply chain operations, leveraging many of the reporting tools and capabilities within the Lawson system.

"We never lose sight of the mission of CHI - to care for and nurture the communities we serve," said Rittler. "We want to give our patients the best care. However, it is imperative that we be cost-effective. The information available from the Lawson system enables us to effectively manage our supply expenses and vendor relationships."

Finance

During the Lawson implementation, the finance organization has made great strides in improving not only day-to-day transactions, but also some fundamental business processes. Specific examples include:

- Financial information has been unified, giving the organization an ability to make apples-to-apples comparisons among MBOs.
- Executives now have access to information to help them make faster, more informed business decisions.
- MBOs used to close their books on the 10th business day of the month; now they will soon be closing on the 7th business day.



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- Through Lawson Dashboard reporting, CHI hospitals are able to see how they are doing each month and proactively make adjustments that enable them to achieve yearly goals.
- Labor distribution reports distributed via dashboards now help CHI more effectively manage labor costs.

"We're just scratching the surface of what Lawson has to offer. The real benefits of the system are the things that we are going to see five, six years down the road. In five years, there is no doubt that every MBO is going to look back and say, 'We're glad we did this project.'" said Joe Pedley, director, *CHI Connect* finance implementations, Catholic Health Initiatives.

"There's not a single person in our hospitals who isn't impacted by this project. Whether it's how they receive their pay statements or how they do their jobs on a day-to-day basis, everyone is affected. For a go live of this magnitude not to be a huge ordeal is extremely impressive," said Ron Korgie, director, financial services, Catholic Health Initiatives.

SUMMARY—LOOKING BACKWARD AND FORWARD

CHI is in the midst of transforming itself from a holding company to an operating company. The *CHI Connect* initiative was designed to create needed infrastructure and has led to multiple, simultaneous changes. These include implementing the Lawson Enterprise Management System, implementing a standard time and attendance system, and standardizing and centralizing key business processes and transactional functions to gain efficiencies. All of this will help CHI keep its ministry strong so its facilities nationwide can focus on patient care and serving their communities better.

The organization took a unique wave approach to the *CHI Connect* implementation, but made it clear to individuals involved along the way that they could share insights, issues, challenges and wins at appropriate intervals. A strong level of executive support, a solid on-boarding process for employees and consultants involved in the project, and a strong partner network offered through Lawson made the process not only unique, but also extremely successful. That success is marked most significantly with cost savings of \$125 million over the course of three years and estimates by CHI that it could achieve an ongoing reduction in annual operational costs of \$50 to \$60 million.

"CHI's mission calls us to build healthier communities through a commitment of reaching new milestones of clinical quality," said Parish. "One of the ways we will achieve that mission is by leveraging the overall size of CHI through centralized processes and a unified Lawson system. Our work does not stop because we will always look for business-operation improvement opportunities. And that's exactly what we intend to continue doing."